

**Initial Statement of Reasons/Explanation of Reasons for
Proposed Amendment to California Code of Regulations,
Title 18, Section 6001, *General Provisions*, and
Appendices A and B to Section 6001**

SPECIFIC PURPOSE AND NECESSITY

Current Law

Government Code section 87300 requires the State Board of Equalization (Board) to adopt a conflict of interest code. Government Code section 87302, subdivision (a), requires that the Board's conflict of interest code contain the:

Specific enumeration of the positions within the agency, other than those specified in Section 87200, which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable.

California Code of Regulations, title 2, section (Regulation) 18730 contains the terms of a standard conflict of interest code, which can be incorporated by reference into any agency's conflict of interest code.

The Board's Conflict of Interest Code (Code) is set forth in California Code of Regulations, title 18, section (Regulation) 6001, *General Provisions*, and Appendices A and B to Regulation 6001. Regulation 6001 incorporates the provisions of Regulation 18730 into the Board's Code by reference. Appendix B contains the Board's numbered disclosure categories, which each describe different types of reportable economic interests. Appendix A designates (or lists) the Board's positions that involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest, and specifies each listed position's reportable economic interests by reference to the numbered disclosure categories in Appendix B.

Proposed Amendments

The Board reviewed its entire organizational chart and the descriptions for all of the positions listed therein,¹ and received input from each department, division, office, or section to determine whether Appendix A to Regulation 6001 lists all of the current Board positions, including officers and consultants, but not elected officers, such as the

¹ The job descriptions are available on the California Department of Human Resources website at <http://www.calhr.ca.gov/state-hr-professionals/pages/job-descriptions.aspx>.

Board Members, that make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interest. The Board also reviewed its organizational chart, the descriptions for its positions, and received input to ensure that the disclosure requirements for each position listed in Appendix A are narrowly tailored to each position's job duties, and that the disclosure requirements differentiate between similar positions with different levels of responsibility. The Board also reviewed the disclosure categories described in Appendix B to Regulation 6001 to ensure that the categories sufficiently describe all of the reportable economic interests that designated employees are required to disclose in a clear, concise, and efficient manner.

As a result of its review, the Board determined that it is reasonably necessary to:

- Revise the format of the cross-references to statutes and regulations in the Code, incorporate minor stylistic revisions to the Code based upon input from Fair Political Practices Commission (FPPC) staff, and update the Code's authority and reference note.
- Update appendix A to implement classification and organizational changes that have taken place at the Board since the Code, including Appendices A and B, was last amended on June 3, 2005.
- Update Appendix A to list only those positions at the Board that make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interest. (Gov. Code, §§ 87300, 87302, subd. (a).) Positions that are no longer used at the Board are being deleted, and new positions are being added.
- Modify the disclosure categories listed in Appendix B for the purpose of narrowly tailoring the disclosure requirements assigned to each position listed in Appendix A. The revisions ensure that each position's disclosure requirements correspond with the position's job duties, and differentiate between similar positions with different levels of responsibility.
- Incorporate minor stylistic revisions in Appendix B that were recommended by FPPC staff.

Therefore, during its meeting on November 19, 2014, the Board unanimously voted to propose to amend Regulation 6001 and Appendices A and B to Regulation 6001 in accordance with those determinations, as explained in detail below.

I. Revisions to Appendix A

The proposed amendments change the "All" disclosure category designation to "1-8" throughout Appendix A for purposes of clarity. The revision results in no change to the disclosure requirements for the positions assigned disclosure categories "1-8" because

disclosure categories 1-8 collectively require the disclosure of all of the same economic interests currently required to be disclosed by all of the disclosure categories in the Board's Code.

The proposed amendments add "All Levels," to Appendix A to clarify that the reporting requirements assigned to specified positions apply to all levels (i.e., I, II, III, or IV) of employees assigned to that position.

A. Board Members' Offices

The proposed amendments change "Board" to "Board Members' Offices" in Appendix A to more clearly refer to the designated positions.

The proposed amendments add the District Director, Community Affairs Deputy, Associate Tax Auditor and Special Consultant positions to Appendix A, which are currently being used within the Board Members' Offices. These positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments delete the Administrative Assistant position from Appendix A because employees holding this position do not make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

B. Executive Office

The proposed amendments change "Executive" to "Executive Office" in Appendix A to more clearly refer to the designated positions.

The proposed amendments delete the Administrative Assistant position from Appendix A because employees holding this position do not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests.

The proposed amendments delete the CEA (Communications Office) position from Appendix A because this office has been renamed and the position is no longer being used by the Executive Office.

C. Executive Services Section

The proposed amendments add the "Executive Services Section" to Appendix A because

this is a new section within the Board. Add the Staff Services Manager (All Levels), Business Taxes Specialist (All Levels), Associate Management Analyst, and Associate Governmental Program Analyst positions in the Executive Services Section to Appendix A, because the positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments to Appendix A also assign disclosure categories to the positions in the Executive Services Section that are narrowly tailored to the specific duties of each designated position.

D. Board Proceedings Division

The proposed amendments add Chief and Business Taxes Specialist (All Levels) positions to Appendix A because the positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments delete the CEA, Associate Governmental Program Analyst and Associate Governmental Program Analyst (LAN Workgroup Manager) positions from Appendix A because the employees holding these positions do not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests. The proposed amendments also delete the CEA position because that position is now entitled, Chief.

In addition, the proposed amendments assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

E. Customer and Taxpayer Services Division

The proposed amendments delete the Customer and Taxpayer Services Division, and all of the positions designated under this division from Appendix A because this division no longer exists within the Board.

F. External Affairs Department

The proposed amendments add the External Affairs Department and the Outreach Service Division, Customer Service and Publishing Division, Web Service Division and Office of Public Affairs under the External Affairs Department to Appendix A.

The proposed amendments add the following positions in and under the External Affairs Department to Appendix A because the positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

External Affairs Department

Deputy Director

Outreach Services Division

Staff Services Manager (All Levels)
Information Officer (All Levels)
Tax Services Specialist

Customer Service and Publishing Division

Staff Services Manager (All Levels)
Business Taxes Compliance Supervisor (All Levels)
Tax Services Specialist
Business Taxes Compliance Specialist
Systems Software Specialist (All Levels)

Web Services Division

Senior Information Systems Analyst (Supervisor)

Office of Public Affairs

Tax Services Specialist
Information Officer (All Levels)
Staff Services Manager

The proposed amendments to Appendix A also assign disclosure categories that are narrowly tailored to the specific duties of each designated position in and under the External Affairs Department.

G. Legislative and Research Division

The proposed amendments change “Legislative Division” to “Legislative and Research Division” in Appendix A to more clearly refer to the designated positions.

The proposed amendments delete the Assistant Chief Counsel, Senior Specialist Property Appraiser, Operations Research Specialist, and Research Analyst positions from Appendix A because these positions are no longer being used by this division.

The proposed amendments delete the Associate Governmental Program Analyst (System or LAN Administrator) position from Appendix A because this position does not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests.

The proposed amendments add the Research Manager (All Levels) position to Appendix A because the position makes or participates in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

H. Technology Services Department

The proposed amendments change “Technology Services Division” to “Technology Services Department” in Appendix A to more clearly refer to the designated positions.

The proposed amendments add Chief Information Officer and Systems Software Specialist III (Supervisor) positions to Appendix A because the positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments delete the Associate Systems Software Specialist, Associate Information Systems Analyst, Staff Programmer Analyst, Associate Programmer Analyst, and Associate Governmental Program Analyst positions from Appendix A because the positions do not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests.

The proposed amendments delete the Business Taxes Administrator and Business Taxes Compliance Supervisor positions from Appendix A because these positions are no longer being used by the Technology Services Department.

The proposed amendments also assign new disclosure categories or revise disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

I. CROS Project Team

The proposed amendments add the new CROS Project Team to Appendix A.

The proposed amendments add the following positions under the CROS Project Team to Appendix A that make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

CEA (All Levels)

Data Processing Manager (All Levels)

Business Taxes Administrator III

Business Taxes Specialist (All Levels)

Staff Services Manager (All Levels)

Business Taxes Representative (All Levels)
Associate Governmental Program Analyst
Systems Software Specialist (All Levels)
Senior Information Systems Analyst (Specialist)
Senior Programmer Analyst (Specialist)
Staff Information Systems Analyst (Specialist or Supervisor)
Evaluators
Subject Matter Experts

The proposed amendments to Appendix A also assign disclosure categories to each position that are narrowly tailored to the specific duties of each designated position on the CROS Project Team.

J. Taxpayers' Rights and Equal Employment Opportunity Division

The proposed amendments to Appendix A delete the Associate Governmental Program Analyst (EEOO) position because this position does not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests.

The proposed amendments to Appendix A delete the CEA and Associate Property Appraiser (TRA) positions because these positions are no longer being used by this division. The proposed amendments also delete the CEA position because that position is now entitled, Taxpayers' Rights Advocate.

The proposed amendments add the Taxpayers' Rights Advocate, Tax Counsel (All Levels), Business Taxes Administrator (TRA) (All Levels), Senior Specialist Property Appraiser (TRA), and Assistant Property Appraiser (TRA) positions to Appendix A because the positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

K. Internal Audit Division

The proposed amendments add the Internal Audit Division to Appendix A. The proposed amendments also delete the "Internal Security and Audit Division" and all of the positions designated under this division in the current code from under the "Legal Department" in Appendix A because the division has been renamed the Internal Audit Division and is now under the direct authority of the Executive Director.

The proposed amendments add the Chief, Business Taxes Administrator (All Levels), Business Taxes Specialist (All Levels) and Associate Tax Auditor positions under the

Internal Audit Division to Appendix A because these positions are assigned to this division and make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments also assign disclosure categories to each position being added to Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

L. Administration Department

The proposed amendments delete the CEA, Training Officer (Training Office) and Associate Governmental Program Analyst (Training Office) positions from Appendix A because these positions are no longer being used by this department. The proposed amendments also delete the CEA position because that position is now entitled, Deputy Director.

The proposed amendments add the Deputy Director to Appendix A because this is a new position that was added to this Department that makes or participates in the making of decisions which may foreseeably have a material financial effect on financial interests.

In addition, the proposed amendments assign disclosure categories to the Deputy Director to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the Deputy Director's specific duties.

1. Information Security Office

The proposed amendments add the Information Security Office to Appendix A under the Administration Department. The proposed amendments add the following positions under the Information Security Office in Appendix A because these are new positions that make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Data Processing Manager (All Levels)
Senior Information Systems Analyst (Specialist)
Business Taxes Specialist (All Levels)
Staff Information Systems Analyst
Associate Information Systems Analyst

The proposed amendments also assign disclosure categories that are narrowly tailored to the specific duties of each designated position being added to Appendix A.

2. Administrative Support Division

The proposed amendments delete the CEA, Associate Business Management Analyst, Associate Governmental Program Analyst, Telecommunications Systems Analyst, and Office Services Manager (Supervisor, Cashier Unit) positions from the Administrative

Support Division of the Administration Department in Appendix A because these positions are no longer being used by this department. The proposed amendments also delete the CEA position because that position is now entitled, Chief.

The proposed amendments add the Chief, Business Services Officer (Supervisor), Printing Trades Supervisor (All Levels), Warehouse Manager (All Levels), Office Services Supervisor (All Levels), and Chief Construction Supervisor positions to Appendix A because these are new positions in the Administrative Support Division of the Administration Department that make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

In addition, the proposed amendments assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

3. Human Resources Division

The proposed amendments change “Personnel Management Division” to “Human Resources Division” in Appendix A to more clearly refer to the designated positions.

The proposed amendments add the following positions to the Human Resources Division in Appendix A because they make or participate in making decisions which may foreseeably have a material financial effect on financial interests:

Chief
Personnel Supervisor (All Levels)
Labor Relations Manager
Training Officer

The proposed amendments delete the CEA position from appendix A because it is no longer being used by this division, and the position is now entitled, Chief.

In addition, the proposed amendments assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

4. Financial Management Division

The proposed amendments add the following positions to the Financial Management Division in Appendix A because they make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Chief
Senior Administrative Analyst

Mailing Machines Supervisor (All Levels)
Office Services Manager (All Levels)

The proposed amendments delete the CEA, Associate Accounting Analyst, Associate Administrative Analyst, Associate Budget Analyst, Senior Accounting Officer, Associate Governmental Program Analyst and Staff Information Systems Analyst (Specialist) positions from Appendix A because they do not currently make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interests, or are no longer being used by the division.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

5. Policy, Planning and Evaluation Division

The proposed amendments delete the Policy, Planning and Evaluation Division, and all of the positions designated under this division, from Appendix A because this division is no longer being used by the Board.

M. Legal Department

The proposed amendments add Chief Counsel and Business Taxes Administrator (All Levels) positions to Appendix A because these are new positions that were added to this department that make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments delete the Supervising Tax Auditor, Administrative Assistant, Staff Information Systems Analyst, Associate Information Systems Analyst and Business Taxes Compliance Supervisor (Offer in Compromise) positions from Appendix A because they are no longer used by this department.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

1. Investigations and Special Operations Division

The proposed amendments change “Investigations Division” to “Investigations and Special Operations Division” in Appendix A and designate it under the Legal Department where it is currently assigned.

The proposed amendments add Chief, Business Taxes Compliance Supervisor (All Levels), and Senior Information Systems Analyst (Specialist) positions to Appendix A

because these are new positions that were added to this division that make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments delete the CEA position from Appendix A because it is no longer used by this division and because that position is now entitled, Chief.

The proposed amendments also assign new disclosure categories or revise the disclosure categories assigned to the positions listed in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

N. Data Analysis Section

The proposed amendments add the Data Analysis Section to Appendix A.

The proposed amendments add the Supervising Tax Auditor (All Levels), Business Taxes Specialist II or III, Business Taxes Specialist I, and Business Taxes Compliance Specialist positions under the “Data Analysis Section” heading in Appendix A because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments also assign disclosure categories to the positions being added to Appendix B that are narrowly tailored to the specific duties of each designated position.

O. Property and Special Taxes Department

Since the last amendment to the Code, the Property and Special Taxes Department was completely reorganized. The department now has four divisions, the County-Assessed Properties Division, State-Assessed Properties Division, Special Taxes Policy & Compliance Division, and the Special Taxes Audit & Carrier Division. The Assessment Policy and Standards Division, County Property Division, Valuation Division, Excise Taxes and Fees Division and Fuel Taxes Division no longer exist and the proposed amendments delete the divisions and all of the positions listed under those divisions from Appendix A.

The proposed amendments add a new “Property and Special Taxes Department” heading to Appendix A and list the following positions under that heading because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Deputy Director
Business Taxes Specialist II or III (Technical Advisors)

The proposed amendments add a new “County-Assessed Properties Division and State Assessed Properties Division” heading to Appendix A and list the following positions under that heading because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

CEA (All Levels)
Business Taxes Administrator (All Levels)
Principal Property Appraiser
Principal Property Appraiser (Timber)
Supervising Property Appraiser
Supervising Property Appraiser (SAPD)
Research Manager (All Levels)
Senior Specialist Property Appraiser
Senior Specialist Property Auditor Appraiser
Senior Specialist Property Auditor Appraiser (Timber)
Senior Forest Property Appraiser
Senior Petroleum and Mining Appraisal Engineer
Associate Forest Property Appraiser
Associate Property Appraiser
Associate Property Auditor Appraiser
Associate Property Auditor Appraiser (Timber)
Assistant Property Appraiser
Assistant Property Auditor Appraiser
Assistant Property Auditor Appraiser (Timber)
Business Taxes Specialist (All Levels)
Research Analyst (All Levels)
Tax Auditor
Business Tax Representative (Timber)
Associate Government Program Analyst
Staff Services Analyst (LEOP)

The proposed amendments add a new “Special Taxes Policy & Compliance Division and Special Taxes Audit & Carrier Division” heading to Appendix A and list the following positions under that heading because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

CEA (All Levels)
Business Taxes Administrator (All Levels)
Supervising Tax Auditor (All Levels)
Business Taxes Compliance Supervisor (All Levels)
Business Taxes Specialist II or III
Business Taxes Compliance Specialist
Business Taxes Specialist I
Associate Tax Auditor
Tax Auditor
Business Taxes Representative

The proposed amendments also assign disclosure categories to the positions listed under these new headings in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

P. Sales and Use Tax Department

The positions designated under the Sales and Use Tax Department in Appendix A do not reflect the current organizational structure of the department. Many of the positions are no longer used by the department and are in need of deletion. In addition, all of the disclosure categories assigned to the designated positions that are still used by the department are not narrowly tailored to the current job duties of each designated position. Therefore, to narrowly tailor the disclosure categories, the proposed amendments add the subheadings “Headquarters Operations Division,” “Tax Policy Division,” and “Field Operations Division,” under the heading for the Sales and Use Tax Department in Appendix A.

The proposed amendments add Deputy Director, Business Taxes Specialist II or III, Business Taxes Administrator (All Levels), and Business Taxes Compliance Specialist positions under the “Sales and Use Tax Department” heading in Appendix A because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests.

The proposed amendments add the following positions under the “Headquarters Operations Division” heading in Appendix A because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Chief
Business Taxes Specialist II or III
Supervising Tax Auditor II or III
Business Taxes Administrator (All Levels)
Business Taxes Specialist I
Business Taxes Compliance Specialist
Supervising Tax Auditor I
Supervising Tax Technician
Associate Tax Auditor
Tax Auditor
Business Taxes Representative
Senior Information Systems Analyst (Specialist)

The proposed amendments add the following positions under the “Tax Policy Division” heading in Appendix A because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Chief

Business Taxes Specialist II or III
Supervising Tax Auditor II or III
Business Taxes Administrator (All Levels)
Business Taxes Specialist I
Business Taxes Compliance Specialist
Supervising Tax Auditor I
Supervising Tax Technician
Associate Tax Auditor
Tax Auditor
Business Taxes Representative
Senior Information Systems Analyst (Specialist)

The proposed amendments add the following positions under the “Field Operations Division” heading in Appendix A because these positions make or participate in the making of decisions which may foreseeably have a material financial effect on financial interests:

Chief
Business Taxes Administrator (All Levels)
Business Taxes Specialist II or III
Business Taxes Compliance Supervisor (All Levels)
Supervising Tax Auditor (All Levels)
Supervising Tax Technician (All Levels)
Information Officer (All Levels)
Business Taxes Compliance Specialist
Business Taxes Representative
Business Taxes Specialist I
Associate Tax Auditor
Tax Auditor
Information Officer (All Levels)

The proposed amendments assign new disclosure categories or revise the disclosure categories assigned to the positions listed under the Sales and Use Tax Department in Appendix A to reflect revisions made to Appendix B and to narrowly tailor the disclosure requirements to the specific duties of each designated position.

Q. Additional Revisions

The proposed amendments add a “Retired Annuitant” designation to Appendix A to make clear that the Political Reform Act (PRA) (Gov. Code, § 81000 et seq.) requires retired annuitants who are appointed in classifications corresponding to civil service employee classification categories listed in the Code to disclose under that civil service classification category.

The proposed amendments delete the current provisions regarding consultants from Appendix A and add a new “Consultants/New Positions” designation to Appendix A to

make clear that the PRA requires consultants and new positions to disclose pursuant to the broadest disclosure category in the Code. The proposed amendments also add a provision to Appendix A permitting the Executive Director to determine in writing that a consultant or new position is not required to fully comply with the disclosure requirements when the “designated position” is hired to perform a range of duties that is limited in scope. The current version of Appendix A includes this provision for consultants, but not for new positions.

In addition, the proposed amendments add a designation for “CROS Evaluators” and “CROS Subject Matter Experts” to Appendix A to make clear that employees assigned the task of serving as a “CROS Evaluator” or “CROS Subject Matter Expert” must report according to the designation made under CROS, as well as the position, if designated in the code, that they hold elsewhere at the Board.

II. Amendments to Appendix B

A. Minor Stylistic Revisions

At the suggestion of FPPC staff, in each disclosure category, the proposed amendments to Appendix B replace the word “employees” with “positions” and insert “receipt of” before “loans, gifts, and travel payments.”

B. Updated and Clarified Disclosure Categories

The proposed amendments update disclosure category number one in Appendix B so that it specifically refers to the State Board of Equalization.

The proposed amendments update disclosure category number two in Appendix B so that it lists all of the special taxes and fees that are currently being administered by the Board.

The proposed amendments update disclosure category number three in Appendix B to clarify that employees are required to report economic interests from sources that “own, or owned, property of the type assessed or valued or exempted by the Board” and “interests in real property located within the State of California.”

The proposed amendments renumber disclosure category number seven as number nine and revise disclosure category number nine, at the recommendation of FPPC staff, to more narrowly require disclosure of economic interests from sources that provide goods, equipment, vehicles, services, or leased space of the type utilized by the designated “position’s department, division, section or office” instead of by “the Board.”

The proposed amendments renumber disclosure category number eight as number ten and revise disclosure category number ten, at the recommendation of FPPC staff, to add “telecommunications equipment” and “telecommunication” and to require disclosure of economic interests from sources that provide telecommunications equipment, or any services or training or equipment related to telecommunication. The proposed

amendments also delete current disclosure category number 10 regarding telecommunications equipment and services.

The proposed amendments also renumber disclosure category number nine as number eleven in Appendix B.

C. Disclosure Categories Added

The proposed amendments add a new disclosure category number seven to Appendix B, at the recommendation of FPPC staff, to require disclosure of economic interests from sources that were the subject of a complaint to, investigation by, or enforcement action of the Board, or administrative action before the Board that was acted upon or participated in by the employee during the period of time covered by the statement of economic interest.

The proposed amendments add a new disclosure category number eight to Appendix B, at the recommendation of FPPC staff, to require disclosure of economic interests from sources that provide goods, equipment, vehicles, services, or leased space of the type utilized by the Board.

The proposed amendments add a new disclosure category number twelve to Appendix B, at the recommendation of the FFPC, to provide that the designated positions may file the Form 700-A in lieu of the Form 700 if, during the reporting period, they did not have any financial interests in any of their assignments. This disclosure category replaces provisions regarding Form 700-A that the Board proposes to delete from Appendix A.

The proposed amendments also add new disclosure category number thirteen to Appendix B, at the recommendation of FPPC staff, for the purpose of differentiating between similar positions with different levels of responsibility that make or participate in the making of decisions that may foreseeably have a material financial effect on real property interests. Disclosure category number three requires a position to report all “interests in real property located within the State of California,” while disclosure category number thirteen requires a position to report “interests in real property located within 500 feet of the real property the designated position was assigned to assess or value or exempt.”

Specific Purpose and Necessity

During its November 19, 2014, meeting, the Board determined that the proposed amendments are reasonably necessary for the specific purpose of ensuring that the Board’s conflict of interest code complies with the requirements of Government Code section 87302 by:

- Listing only those positions at the Board that make or participate in the making of decisions which may foreseeably have a material financial effect on any financial interest; and

- Assigning disclosure requirements that are narrowly tailored to a position's job duties, and differentiate between similar positions with different levels of responsibility.

The Board also determined that the proposed amendments are reasonably necessary for the specific purpose of ensuring that the disclosure categories in Appendix B describe all of the economic interests that employees in listed positions are required to disclose in a clear, concise, and efficient manner.

DOCUMENTS RELIED UPON

The Board relied upon a Chief Counsel Memorandum dated October 30, 2014, the attachments to the memorandum, and comments from Board staff made during the Board meeting on November 19, 2014, in deciding to propose the amendments to the Code, including Appendices A and B.

ALTERNATIVES CONSIDERED

The Board did not consider any alternatives to the proposed amendments to the Code, including Appendices A and B. No alternatives were presented to the Board.

FISCAL IMPACT

The Board's determinations regarding the fiscal impact of the proposed amendments to the Code, including Appendices A and B, in the Board's notice of proposed regulatory action, are in accordance with the requirements of California Code of Regulations, title 2, section (Regulation) 18730.